

Roderick McClary - Fwd: Latest on BP

From: Michael Sak
To: McClary, Roderick
Date: 8/21/2007 10:41 AM
Subject: Fwd: Latest on BP

Print and put in BP resolution file.

>>> Peter Morman 8/17/2007 10:45 AM >>>
Speaker Pro Tem Sak,

Here is the latest on the BP issue. No firm commitments, but they are rethinking things.

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BP to reconsider permit on refinery

Move follows outcry over lake pollution

By Michael Hawthorne

Tribune staff reporter

August 16, 2007. Responding to a groundswell of protests from politicians and the public, BP and Indiana regulators agreed Wednesday to reconsider a permit that allows the Midwest's largest oil refinery to significantly increase the amount of toxic waste dumped into Lake Michigan.

Neither the oil company nor the state would commit to a specific solution. But for the first time they softened their defense of a permit that critics say counters decades of efforts to clean up the lake, a magnet for sport fishing and the source of drinking water for Chicago and scores of other communities.

At a wide-ranging meeting at the U.S. Environmental Protection Agency's Chicago office, a top BP executive pledged to review suggestions from Mayor Richard Daley, the EPA and environmental groups about technologies that could reduce pollution from the company's Whiting, Ind., refinery.

BP, which aggressively markets itself as an environmentally friendly corporation, sought to dump more ammonia and suspended solids into Lake Michigan as part of a \$3.8 billion expansion that will enable the refinery to process more heavy Canadian crude oil. Officials justified the increase in part by noting that the project will create 80 permanent jobs and 2,000 construction jobs.

Federal and state regulators contend they have no legal authority at this point to rescind the permit. But a growing chorus of complaints prompted another look.

"This isn't a trivial controversy," Stephen Elbert, vice chairman of BP America, told a panel of politicians, regulators and advocates. "People want this fixed yesterday. We've got 5,000 BP employees that are concerned, not only about the contamination but about this smack on the company."

When BP secured a new water permit earlier this year, federal and state regulators agreed there isn't enough room at the 1,400-acre site to upgrade the refinery's water treatment plant to keep more pollution out of Lake Michigan.

The permit allows BP to dump an average of 1,584 pounds of ammonia and 4,925 pounds of suspended solids into the lake every day. The additional solids, tiny sludge particles that escape water treatment filters, are the maximum allowed under federal guidelines.

Indiana regulators also exempted the company from meeting tough limits on mercury pollution for the next five years.

Elbert said the refinery wouldn't begin releasing more pollution into lake until the expansion project is finished in 2011. Based on past performance, he said, the amount probably would be far less than the permitted limits.

But critics argue the permit sets a bad precedent, noting the maximum amount of ammonia dumped into the lake would increase by 54 percent and the amount of solids would increase by 35 percent.

"There will be a day when water is more important than gasoline," said David Ullrich, a former top EPA official who directs the Great Lakes and St. Lawrence Cities Initiative, an advocacy group formed by the region's mayors. "Even if everything is legal here, the question is whether it's the right thing to do."

Few in the meeting voiced support for an EPA proposal to offset the additional BP pollution with other projects that would help clean up Lake Michigan. The focus remained on the oil company and what it can do to meet the long-standing goal of eliminating pollution in the Great Lakes, the world's largest source of fresh surface water.

Chicago officials said they've found several technologies in use at other refineries that dramatically reduce ammonia and suspended solids. They pressed Elbert to explain how more water treatment equipment couldn't fit on a site as large as the Whiting refinery, a question the executive said he could not answer.

"The environment is a prominent part of BP's advertising," said Sadhu Johnston, Daley's deputy chief of staff for environmental initiatives. "We're sure they can make it a prominent part of their actions too."

Thomas Easterly, director of the Indiana Department of Environmental Management, said relatively few complained about the BP permit when it was under consideration earlier this year, something the state's critics countered could be attributed to a lack of public outreach.

Pressure continued to mount on the company and regulators to do something. U.S. Sen. Barack Obama (D-Ill.) and Rep. Rahm Emanuel (D-Ill.) called for congressional hearings into the BP permit and how it squares with provisions in the Clean Water Act.

Meanwhile, an environmental group, the Alliance for the Great Lakes, filed a formal appeal in Indiana asking a state environmental judge to block the permit from taking effect.

Although Elbert said it would be impossible for BP to completely eliminate pollution from the Whiting refinery, he said the company will continue to look for ways to reduce the amount of toxic chemicals released into the environment.

"We are a lot of things," Elbert said in response to questions about the furor. "Stupid, I hope, is not one of them."

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